



Department for Energy Security & Net Zero

Rt Hon Claire Coutinho MP
Secretary of State
Department for Energy Security
& Net Zero
55 Whitehall
London

www.gov.uk

Rt Hon Caroline Flint
Chair, Committee on Fuel Poverty

Our ref: MCB2023/24430

Committee Members

December 2023

Liz Bisset
Anuradha Singh
Belinda Littleton
Anthony Pygram
Gordon McGregor

Email: cfp@energysecurity.gov.uk

Dear Caroline and Committee Members,

Thank you for your letter of 13 November regarding the work of the Committee on Fuel Poverty and your expectations of the Autumn Statement. Your letter highlighted the need for additional support for low income, vulnerable and fuel poor households who are disproportionately impacted by high energy prices. I appreciate the time taken to write to me on this important topic.

The Government announced at the Autumn Statement that it is increasing the National Living Wage by 9.8% to £11.44 an hour for eligible workers aged 21 and over and cutting taxes for over 29 million working people. The Government is also increasing Local Housing Allowance rates to the 30th percentile of local market rents, meaning that 1.6 million low-income households will be better off by an average of £800 in 2024-25. The Government will be uprating working age and pensioner benefits by significantly above forecast inflation for next year and supporting pensioner incomes by maintaining the triple lock.

The extra support announced by the Chancellor brings our total cost-of-living support to £104 billion over 2022 to 2025, one of the largest support packages in Europe. A full-time worker on minimum wage will see £1,800 extra and someone on Universal Credit or other benefits will see £470 extra on average. This is on top of the £900 cost-of-living payments we are providing across 2023 and 2024 to ensure support gets to those most in need.

As you are aware, it is not just financial support that is required to support fuel poor households and we are looking at the problem holistically. We continue to work with Ofgem to improve the service provided by energy companies, including stepping in to prevent forced prepayment meter (PPM) installations in the homes of vulnerable consumers.

Importantly, the Government is also ending the PPM premium by providing a discount to PPM customers through the Energy Price Guarantee. This applies from 1 July until the end of the scheme in March 2024, saving a typical PPM customer around £40 per year.

I note your reflections on energy efficiency standards in the Private Rented Sector, the importance of effective targeting and better use of data to identify those most in need of support. I know that you are engaged with the Department on all these topics, and I encourage you to continue to share any proposals, noting that a number of points have already been clearly set out in your annual report.

I agree with you that it is important that we work across Government Departments to help deliver support whilst tackling the challenge of fuel poverty both in the short and long term.

I am aware of your engagement with a wide range of stakeholders and the specific expertise that each member brings to the Committee. I know that together this enables the Committee to provide considered advice to the Department and I am grateful for that. I appreciate your involvement in the review of the current fuel poverty strategy, including your engagement at the recent stakeholder meeting with Minister Solloway. I hope this will continue as we work together to set out a strong plan for the next phase of our strategy.

I hope you and the committee members will find this reply helpful.

Yours ever,

A handwritten signature in black ink, appearing to read 'Claire', with a long horizontal stroke extending to the right.

RT HON CLAIRE COUTINHO MP
Secretary of State for Energy Security & Net Zero